

# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

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September 22, 2005

TO: Internal File

THRU: Pam Grubaugh-Littig, Permit Supervisor

FROM: Wayne H. Western, Environmental Scientist III, Bond

RE: Rip Rap and Crusher Demolition Bond Costs, Sunnyside Cogeneration Associates, Sunnyside Refuse/Slurry, Permit C/007/0035, Task ID #2340

**SUMMARY:**

The Permittee requested that the reclamation cost estimates for rip rap and demolition be modified. This memo deals solely with bonding requirements.

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TECHNICAL MEMO

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**TECHNICAL ANALYSIS:**

**RECLAMATION PLAN**

**BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

**Analysis:**

**Determination of Bond Amount**

The Permittee did not meet the requirements of this section of the regulations, because the bond amount is inadequate to insure reclamation in the event of bond forfeiture.

The Division estimated the reclamation cost to be \$1,775,000 in 2009 dollars. The current bond amount is \$1,747,000, therefore the Permittee must post an additional \$28,000.

In addition, the Permittee must also include a copy of the revised bond calculation in the MRP. The Division will give the Permittee a copy of the revised bond calculations in either paper or electronic format upon request.

**Findings:**

The information provided in the amendment does not meet the minimum requirements of the bonding and insurance requirements of the R645 – Rules. Before the amendment can be approved, the Permittee must provide the following in accordance with:

**R645-301- 830.110,** The Permittee must include bond calculations in the MRP. The Division will give the Permittee a copy of the revised bond calculations in either paper or electronic format.

**R645-301- 830.200** The Permittee must increase the bond amount to a minimum of \$1,775,000.

**RECOMMENDATIONS:**

The Division should not approve the amendment until the bond amount has been adjusted and the revised bond calculations are submitted.

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